



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

Address: COMMISSIONER FOR PATENTS

P.O. Box 1450

Alexandria, Virginia 22313-1450

www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/737,697

12/14/2000

Thomas H. Slaight

075635.0113

1400

46629

7590

03/28/2008

BAKER BOTTS, LLP

2001 ROSS AVENUE, 6TH FLOOR

DALLAS, TX 75201-2980

EXAMINER

CHARLES, DEBRA F

ART UNIT

PAPER NUMBER

NOTIFICATION DATE

DELIVERY MODE

03/28/2008

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

PTOmail2@bakerbotts.com

PTOmail4@bakerbotts.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

---

*Ex parte* THOMAS H. SLAIGHT, ALAN R. NORMAN,  
PHILLIP W. KING, IV, and NIUL A. BURTON

---

Appeal 2007-4252  
Application 09/737,697  
Technology Center 3600

---

Decided: March 26, 2008

---

Before MURRIEL E. CRAWFORD, LINDA E. HORNER, and  
BIBHU R. MOHANTY, *Administrative Patent Judges*.

HORNER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Thomas H. Slaight et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-32. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We REVERSE.

### THE INVENTION

The Appellants' claimed invention is to a sourcing system and method for purchasing products or services using a multi-parameter auction (Spec. 1:10-12). The invention allows an entity to purchase products using an auction process that takes into account variables (parameters) of interest to the purchaser other than price (Spec. 3:12-15). These parameters, such as discount, delivery, installation, training, maintenance, switching costs, and warranties, can be factored into a total cost for the product (Spec. 3:15-19). Thus, the purchaser can efficiently take multiple parameters into account when making a purchase (Spec. 3:19-22). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. An electronic bidding system, comprising:
  - means for enabling each of a plurality of vendors to submit electronic vendor bids on at least two parameters associated with a product, the electronic vendor bids submitted over an electronic communications network;
  - means for calculating a total cost of the product to a purchaser for each vendor in response to the vendors bids, the total cost taking into account the at least two parameters associated with the product; and
  - means for outputting each of the vendors bids and the total cost of the product to the purchaser.

### THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Adams	US 3,573,747	Apr. 6, 1971
Gindlesperger	US 6,397,197 B1	May 28, 2002

The following rejections are before us for review:

1. Claims 1-3, 6-12, 14, and 16-32 are rejected under 35 U.S.C. § 102(b) as anticipated by Gindlesperger.<sup>1</sup>
2. Claims 4, 5, 13, and 15 are rejected under 35 U.S.C. § 103(a) as unpatentable over Gindlesperger and Adams.

### ISSUE

The Appellants contend that Gindlesperger does not disclose, teach, or suggest a “means for enabling each of a plurality of vendors to submit electronic vendor bids on at least two parameters associated with a product” (App. Br. 18; Reply Br. 2). Rather, Gindlesperger allows vendors to submit electronic vendor bids based on only a single parameter, i.e., price (App. Br. 19; Reply Br. 2-3). The Appellants further contend that Gindlesperger does not disclose, teach, or suggest “means for calculating a total cost of the product to a purchaser for each vendor in response to the vendor bids, the total cost taking into account the at least two parameters associated with the product” (App. Br. 19; Reply Br. 4). Rather, Gindlesperger’s server merely

---

<sup>1</sup> We note that Gindlesperger is not available as prior art under 35 U.S.C. § 102(b). This error, however, is without consequence, because Gindlesperger is available as prior art under 35 U.S.C. § 102(e).

considers the vendor prices submitted and selects the lowest price (App. Br. 20; Reply Br. 4-5).

The Examiner found that Gindlesperger discloses the enabling means, because Gindlesperger allows multiple vendor bids to be submitted and states that such bids are determined based on the product, delivery, and other requirements, and thus bids are submitted based on at least two parameters associated with a product (Ans. 3-4 and 12 (citing Gindlesperger, col. 7, l. 60 through col. 8, l. 2)). The Examiner further found that Gindlesperger discloses calculating means in that the reference states it enables each vendor to prepare a more precise calculation of its responding bid (Ans. 4 (citing Gindlesperger, col. 5, ll. 28-35) and 12-13 (citing Gindlesperger, col. 7, l. 65 through col. 8, l. 2)).

The issue before us is whether the Appellants have shown that the Examiner erred in finding that Gindlesperger discloses the claimed enabling means and calculating means.

#### FINDINGS OF FACT

We find that the following enumerated findings are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. Gindlesperger's system and method includes receiving an initial vendor pool data set from each buyer, entering the vendor pool data into a database, transmitting an invitation to subscribe to each

vendor in the initial pool, receiving vendor capability data for those vendors who respond to the invitation, entering that vendor data into a database, receiving a buyer's invitation-for-bid describing a particular product or service the buyer wishes to purchase, calculating or extracting a vendor selection criteria from the buyer's invitation-for-bid, comparing and correlating the selection criteria to the vendor capability data to determine which vendors qualify to bid, transmitting the buyer's invitation-for-bid to each vendor who qualifies to bid, receiving bids from the selected vendors where each bid represents that vendor's price for the requested product or service, and selecting the responding bid having the lowest represented vendor price (Gindlesperger, col. 4, l. 55 – col. 5, l. 27; and col. 7, l. 39 – col. 8, l. 10).

2. Gindlesperger states that when the invitation-for-bid is sent to the qualifying vendors, the system specifies the product or service “in a consistent, standardized format so that each receiving vendor will understand clearly all product, delivery and other requirements” for the product or service requested. Gindlesperger explains that this ensures the bids received from vendors are comparable and that mistakes as to the requirements of the buyer are minimized, while enabling each vendor to prepare a more precise calculation of its bid (Gindlesperger, col. 7, ll. 60-col. 8, l. 2).
3. As such, Gindlesperger discloses that vendors submit bids in the form of a bid price and that this price may take into account all of

the buyer's requirements, including the product or service requested, delivery, and other requirements.

4. Gindlesperger does not disclose that the vendors' bids input into Gindlesperger's system include anything other than price.
5. As such, Gindlesperger's system and method compares each vendor bid price against the others to determine the lowest priced bid, where this comparison is based on a single parameter, *viz*, price.
6. Gindlesperger's system does not perform any calculation of a total cost, nor does it look to any parameters other than price in its selection of a winning bid.
7. Adams describes a system in which securities can be traded through a computerized trading system (Adams, col. 2, ll. 19-24). To facilitate these trades, the system maintains a "book" of buy and sell offers relating to securities (Adams, col. 2, ll. 25-27). If an offer to sell a certain number of shares of a company matches a corresponding offer to purchase shares of the same company, the system will automatically effect a transaction (Adams, col. 7, ll. 24-32). If, however, there is no corresponding buy offer, or if the sell offer is only partially transacted, then the remaining shares of the sell offer are broadcast to subscribers (Adams, col. 2, ll. 40-43 and col. 7, ll. 36-39). Once an interested subscriber responds to the offer, the system sends this response to the originator of the offer and allows the originator to enter into an exchange of bids,

offers, and other negotiating messages with the subscriber (Adams, col. 2, ll. 69-75). Although a transaction in Adams involves two parameters, e.g., price and number of shares (Adams, col. 3, ll. 17-19), Adams does not teach or suggest performing a calculation of a total cost of a product to a purchaser based on these two parameters (Adams, *passim*). Rather, Adams discloses only either automatically completing a transaction or forwarding the subscriber's response or bid to the offer originator.

#### PRINCIPLES OF LAW

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987).

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18



(1966). *See also KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

## ANALYSIS

*Rejection of claims 1-3, 6-12, 14, and 16-32 under 35 U.S.C. § 102(b) as anticipated by Gindlesperger*

Independent claims 1, 11, and 25 each recite the operation of calculating a total cost of a product to the purchaser where this calculation of the total cost takes into account at least two parameters associated with the product. Gindlesperger’s system and method receives bids from qualified vendors, where each bid represents that vendor’s price for the requested product or service, and selects the responding bid having the lowest represented vendor price (Fact 1). Gindlesperger discloses that the vendors can take into account all of the buyer’s requirements in forming their bid price (Facts 2-3), but it does not disclose that the vendors’ bids sent to Gindlesperger’s system include anything other than price (Fact 4). As such, Gindlesperger’s system and method compares each vendor bid price against the others to determine the lowest priced bid, where this comparison is based on a single parameter, *viz.* price (Fact 5). Gindlesperger does not perform any calculation of a total cost, nor does it look to any parameters other than price in its selection of a winning bid (Fact 6). As such, Gindlesperger does not anticipate independent claims 1, 11, and 25 or any of their rejected

dependent claims 2, 3, 6-10, 12, 14, 16-24, and 26-32. Accordingly, we do not sustain the Examiner's rejection of claims 1-3, 6-12, 14, and 16-32.

*Rejection of claims 4, 5, 13, and 15 under 35 U.S.C. § 103(a) as unpatentable over Gindlesperger and Adams.*

The Examiner relies on Adams for the teachings of notifying the vendors of the winning bid amount without revealing the identification of the winning vendor (claims 4 and 13) and allowing a vendor to make an adjustment to his bid (claims 5 and 15). Claims 4 and 5 depend from claim 1, and claims 13 and 15 depend from claim 11. Adams does not teach or suggest performing a calculation of a total cost of a product to a purchaser based on at least two parameters associated with the product, as required in claims 1 and 11 (Fact 7). Thus, Adams does not cure the deficiency of Gindlesperger as discussed *supra*. As such, the combination of Gindlesperger and Adams does not render obvious the subject matter of claims 4 and 5, which depend from claim 1, and claims 13 and 15, which depend from claim 11. Accordingly, we do not sustain the Examiner's rejection of claims 4, 5, 13, and 15.

#### CONCLUSIONS OF LAW

We conclude the Appellants have shown that the Examiner erred in rejecting claims 1-3, 6-12, 14, and 16-32 under 35 U.S.C. § 102(b) as anticipated by Gindlesperger, and claims 4, 5, 13, and 15 under 35 U.S.C. § 103(a) as unpatentable over Gindlesperger and Adams.

Appeal 2007-4252  
Application 09/737,697

DECISION

The decision of the Examiner to reject claims 1-32 is reversed.

REVERSED

hh

BAKER BOTTS, LLP  
2001 ROSS AVENUE, 6TH FLOOR  
DALLAS TX 75201-2980